

CONFERENCE COMMITTEE REPORT ON S.F. No. 2519

A bill for an act

relating to public utilities; requiring disclosure of public utility's travel, entertainment, and related expenses included in rate change request; amending Minnesota Statutes 2008, sections 13.681, by adding a subdivision; 216B.16, by adding a subdivision.

May 5, 2010

The Honorable James P. Metzen
President of the Senate

The Honorable Margaret Anderson Kelliher
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 2519 report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S.F. No. 2519 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2008, section 13.681, is amended by adding a subdivision to read:

Subd. 8. **Public utility expense data.** Treatment of employee expense data submitted in a rate case petition is governed by section 216B.16, subdivision 17.

Sec. 2. Minnesota Statutes 2008, section 216B.16, is amended by adding a subdivision to read:

Subd. 17. **Travel, entertainment, and related employee expenses.** (a) The commission may not allow as operating expenses a public utility's travel, entertainment, and related employee expenses that the commission deems unreasonable and unnecessary for the provision of utility service. In order to assist the commission in evaluating the travel, entertainment, and related employee expenses that may be allowed for ratemaking purposes, a public utility filing a general rate case petition shall include a schedule

separately itemizing all travel, entertainment, and related employee expenses as specified by the commission, including but not limited to the following categories:

(1) travel and lodging expenses;

(2) food and beverage expenses;

(3) recreational and entertainment expenses;

(4) board of director-related expenses, including and separately itemizing all compensation and expense reimbursements;

(5) expenses for the ten highest paid officers and employees, including and separately itemizing all compensation and expense reimbursements;

(6) dues and expenses for memberships in organizations or clubs;

(7) gift expenses;

(8) expenses related to owned, leased, or chartered aircraft; and

(9) lobbying expenses.

(b) To comply with the requirements of paragraph (a), each applicable expense incurred in the most recently completed fiscal year must be itemized separately, and each itemization must include the date of the expense, the amount of the expense, the vendor name, and the business purpose of the expense. The separate itemization required by this paragraph may be provided using standard accounting reports already utilized by the utility involved in the rate case, in a written format or an electronic format that is acceptable to the commission. For expenses identified in response to paragraph (a), clauses (1) and (2), the utility shall disclose the total amounts for each expense category and provide separate itemization for those expenses incurred by or on behalf of any employee at the level of vice president or higher and for board members. The petitioning utility shall also provide a one-page summary of the total amounts for each expense category included in the petitioning utility's proposed test year.

(c) Except as otherwise provided in this paragraph, data submitted to the commission under paragraph (a) are public data. The commission or an administrative law judge assigned to the case may treat the salary of one or more of the ten highest paid officers and employees, other than the five highest paid, as private data on individuals as defined in section 13.02, subdivision 12, or issue a protective order governing release of the salary, if the utility establishes that the competitive disadvantage to the utility that would result from release of the salary outweighs the public interest in access to the data. Access to the data by a government entity that is a party to the rate case must not be restricted."

Delete the title and insert:

"A bill for an act

- 3.1 relating to public utilities; modifying provisions related to recovery of expenses
- 3.2 by utilities; amending Minnesota Statutes 2008, sections 13.681, by adding a
- 3.3 subdivision; 216B.16, by adding a subdivision."

4.1 We request the adoption of this report and repassage of the bill.

4.2 Senate Conferees:

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4.4	Ellen Anderson	Kevin Dahle

4.5
4.6	Katie Sieben	Dennis Frederickson

4.7
4.8	D. Scott Dibble

4.9 House Conferees:

4.10
4.11	Debra Hilstrom	Andrew Falk

4.12
4.13	Melissa Hortman	Gail Kulick Jackson

4.14
4.15	Jim Abeler